



**BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING AGENDA
HONORABLE JUDY CHU, CHAIRWOMAN
450 N STREET, SACRAMENTO, ROOM 121
NOVEMBER 14, 2007, 9:30 AM**

----- Agenda -----

2008 Legislative Proposals

PROPERTY TAXES

2008 Legislative Proposals

Set forth below are suggestions for Property Taxes legislation to be sponsored by the Board in the second year of the 2007-2008 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January 2008.

**Suggestion
Number**

- 1-1** Amend Section 276 of the Revenue and Taxation Code, related to the Disabled Veterans' Exemption, to delete obsolete references to prior exemption amounts that have since been increased, and to correct a transposition error within that section intends a cross reference to Section 4985. (Housekeeping)

Source: Property and Special Taxes Department

Revenue Impact: None

- 1-2** Amend Section 441 of the Revenue and Taxation Code to modify a requirement that owners of noncommercial boats with an initial cost of more than \$100,000 file a property statement every year, and instead require the statement only when the assessor makes a written request in order to permit more cost effective administration of the annual boat reassessment process.

Source: Property and Special Taxes Department

Revenue Impact: None

November 14, 2007

- 1-3** Amend Section 15641 of the Government Code, related to Board audits of the records of a county assessed property owner for an Assessment Practices Survey of the local county assessor, to clarify that a cross reference to Section 408 refers to the Revenue and Taxation Code rather than the Government Code. (Technical)

Source: Property and Special Taxes Department

Revenue Impact: None

BUSINESS TAXES

2008 Legislative Proposals

Set forth below are suggestions for Business Taxes legislation to be sponsored by the Board in the second year of the 2007-2008 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January 2008.

Suggestion Number

- 2-1** Amend Section 6591.5 of the Revenue and Taxation Code to revise the interest calculation provisions in the tax and fee programs the Board administers, so that the rate of interest allowed on overpayments of taxes and fees is the same as the rate assessed on underpayments.

Source: Honorable Michelle Steel

Revenue Impact: Total first year loss for all tax programs of about \$2 million. The full annual loss of about \$29 million would be felt in the fourth year.

- 2-2** Add Section 15607 to the Government Code to shift the burden of proof from taxpayers to the agencies collecting taxes in any court or administrative tax proceeding or any evaluation of tax compliance, as specified under certain conditions.

Source: Honorable Bill Leonard

Revenue Impact: Potential loss, but underterminable.

BUSINESS TAXES SALES AND USE TAXES

2008 Legislative Proposals

Set forth below are suggestions for Sales and Use Taxes legislation to be sponsored by the Board in the second year of the 2007-2008 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January 2008.

Suggestion Number

- 3-1** **Add Section 6363.4 to the Sales and Use Tax Law to provide an exemption from the sales and use tax, sales of tangible personal property by thrift stores operated by specified nonprofit organizations that provide, in partnership with the Navy and Marine Corps, financial, educational, and other assistance to members of the Naval Service of the United States, eligible family members, and survivors when in need.**

Source: Honorable John Chiang
Honorable Michelle Steel

Revenue Impact: \$16,000 state and local annual loss

- 3-2** **Amend the Labor Code to authorize the Department of Industrial Relations to share information it collects as part of its normal investigative and enforcement efforts with the Board.**

Source: Honorable Judy Chu

Revenue Impact: None

- 3-3** **Add Section 6487.06 to the Revenue and Taxation Code to reduce the period of time for which a determination may be mailed from eight years to three years when unregistered in-state purchasers, as defined, voluntarily report to the Board purchases subject to use tax.**

Source: Sales and Use Tax Department

Revenue Impact: \$2.5 million state and local annual increase.

- 3-4** **Amend Section 6248 of the Revenue and Taxation Code to reinstate the provisions for a 12-month test applied to out-of-state purchases of vehicles, vessels, and aircraft, which expired on June 30, 2007 and to clarify its provisions related to the definition of “California resident” and the exception for repair, retrofit, and modification.**

Source: Sales and Use Tax Department

Revenue Impact: \$33.7 million state and local annual increase

- 3-5** **Amend Sections 6452.1, 6487.3, and 18510 of the Revenue and Taxation Code to *require* persons who have failed to report their use tax obligations to the Board to report their use tax liability on their tax returns filed with the Franchise Tax Board. Also amend Section 6453 to make a minor clarifying change related to the reporting of use tax on Franchise Tax Board returns.**

Source: Legislative and Research Division
Sales and Use Tax Department

Revenue Impact: At least \$6 million state and local annual increase

**BUSINESS TAXES
SPECIAL TAXES****2008 Legislative Proposals**

Set Forth below are suggestions for Special Taxes legislation to be sponsored by the Board in the second year of the 2007-2008 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January 2008.

**Suggestion
Number**

- 4-1** Amend Sections 7342, 7470, and 60135 of the Revenue and Taxation Code to redefine a train operator and require a train operator transporting fuel products to be licensed. Add Sections 7652.8 and 60204.6 to the Revenue and Taxation Code to require train operators to file monthly information reports on fuel products entering, moving within, and departing the state.

Source: Fuel Taxes Division

Revenue Impact: None